

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re

CITY OF DETROIT, MICHIGAN,

Debtor.

No. 13-53846

Chapter 9

HON. STEVEN W. RHODES

EXHIBIT 40

**APPELLEE STATE OF MICHIGAN'S DESIGNATION OF
ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL**
in connection with Notice of Appeal filed by Lucinda Darrah
[Dkt. #8812]

Item	Date Filed	Docket Number	Description
40	8/28/2014	7184	Lucinda J. Darrah's Request for Reconsideration of her Motion to Request to Participate in the Confirmation Hearing

United States Bankruptcy Ct.
 Eastern Dist of Mi
 Southern Division

In re
 City of Detroit
 Debtor

Ch 9
 Case 13-53846
 Judge Rhodes

Lucinda J Daniels Request
 for reconsideration of her motion
 to request to participate in the
 confirmation hearing.

I, Lucinda J Daniels, not being
 represented by an attorney and having
 graduated out of Detroit College of Law in
 1979, tried to follow the courts instructions
 for entering my motion to participate
 in the confirmation hearing. I listed
 3 topics I wanted to participate in,
 as well as witnesses and documents I
 wanted to include; and I tried not

duplicate the problem of water shutoffs and a water affordability plan.

The court did not rule on the 2nd and 3rd topic. The second topic was the fairness and methodology used to get the best medical plan for current and future retirees and current workers; i.e. the most bang for the buck. Is the current process a no-bid situation? Is Blue Cross the only PPO available? I would like to call Councilwoman Joan Watson and Monica Lewis Patrick; and Yvonne Moore, ~~Pres~~ ^{City of} and Kara Teat from the Detroit Benefit Office to testify to both the procurement procedures and ~~4~~ over pricing of Blue Cross Blue Shield.

Topic 3 was to present evidence that the incinerator, which sits inside the boundaries of Detroit and which burns City of Detroit and Suburban Trash without adequate controls, is harming the health of the city and suburban residents, as well as ~~myself~~ own health and those in adjacent country of Canada, and states such as but not limited to Ohio. The privatization of garbage to contracts, under the leadership of the emergency manager who ^{also} took Detroit into bankruptcy has not required plastic (that causes dioxins and furans to form when burned with the garbage) to be removed from the ^{incinerator} waste stream. The court has

rejected this claim at an earlier date. I am resubmitting it with a copy of the National Academy of Scientists' Waste Incineration and Human Health, 2000.

I object to the courts earlier expungements to my earlier objections. It is one thing to deny my or others objections, but is it proper to expunge anything unless the objector requests it.

As I ^{tried to} avoid ~~avoided~~ duplicates, I did not address the water shutoffs. But as you denied the objections of the religious community here and around the world, specifically, doc 6143, by the Unitarian Universalist Service Committee, including the Central United

Methodist Church, located at 23 E Adams
Detroit, Michigan, I would like
to cover these life important issues
since ~~what was~~ what would have
even a duplicate is not as you threw
their "case," doc. 6143 out.

In many of my objections and
public comments and letters, I have
objected to the DWSD contract No.
PC-792, the Biosolids drier contract
with New England Fertilizer Company.
(NEFCO) I paid over \$53.00 for a copy of this
contract as well as the three contracts
~~for~~ with EMA Contract Nos. CS-1555,
1595, and 1596, all with the City of Detroit.
The EMA are consulting contracts. I
wish to enter all these contracts into

evidence, and to call witnesses to answer questions.

I picked up copies of these documents from the D WSD's FOIA attorney on Tuesday; he handed them off to me as he walked briskly by and out the door of the lobby at 735 Randolph, the Waterboard Bldg. The guard brought to my attention the Public Hearing notice posted nearby which read as follows:

Public Hearing 8/29/14 at 9AM
Sewage Disposal System Senior/Senior/
SRF Junior Lien Bonds.

I thought this was about the bankruptcy bond reissue.

I arrived at the hearing this morning at 9:12 am. Mr Latimer, asst. director

was talking to someone in the hall outside. When he finished with the man he was talking to, he informed me that the Public Hearing was over and ~~when~~ that they had waited 15 minutes and when no one came to participate, they adjourned. I looked at my phone clock (regulated by satellite) and noticed it said 9:14 (nine fourteen) a.m.; not 9:18 or even 9:15 a.m.

I asked Mr. Latimore what other alternative technologies were considered, and he said he couldn't remember, and that all the contracts, for whatever monetary value were of equal importance and he did not remember the other technologies offered in

response to the RFP (request for proposals)
He has hundreds of contracts going by
him.

I was surprised to find out that the
bonds being considered in the public
hearing were only for the NEFCO
construction under \$683 contract to
design, build, and operate, natural
gas shut driers and the bonds being
sold for construction would be \$150
million.

The "Public Hearing" ^{8/28/14} was a sham
because according to a press release
from DWSD and Mayor Duggan, released
on August 27, the bonds to finance
the construction of the driers had already
been sold!

I ask that you allow me to address ~~the three~~ any or all of my three topics in ~~the~~^{my} original motion, to participate in confirmation hearing.

In the objections to the religious communities motion for permissive intervention ~~you~~ the court concluded that it was not proper to violate the sovereignty of the state by interfering; The court alludes to the separation of powers. But the separation of powers is already lacking when the emergency manager appointed by the governor, overrides the legislative and executive branches, and the management of the water department holds untimely public hearings regarding a bond sale that has already happened.

(Separation of Powers) so we can appeal to courts when

I wish to call the following witnesses
that Mr Latimer said were at this
morning's public hearing re bond sale for
NEFCO.

Al Deboe - Treasury Director DWSID
Fred Barnes - Water Bd Commissioner
William Wilson, Corporation counsel
Farolyn Buckles - advisor to Bd
of commissioners
Paul Latimer, asst director
one citizen? maybe they can
identify

I would like to enter the 110,000
on line signatures from around the
world protesting the water shutoffs at
dার্থেa@environmental-action.org
bit.ly/1TurnWaterBackON

I would like to call city DWSD
engineers to determine if the water
shutoffs cause H_2O hammer that
breaks old pipes, thus causing us
higher rates to pay ~~for~~

I would like to ~~also~~ call EMA
employees to see if they gained in
any ~~the~~ way by encouraging the NEFCO
contract. ~~It~~

I would like to ask why water
is included in the bankruptcy when
none of the bonds ^{were} ~~are~~ impaired?
Is it legal to achieve efficiency at
the expense of the integrity of the
system, the quality of the water,
and the health of the citizens?

[Signature]

Exhibits:

~~the~~ agenda for hearing on bonds
Press release on bonds

will also add NEFCO and EMA
contracts in complete form by Tuesday,
Sept 2, 2014.

Frank J. Jones



Press Release

City of Detroit • Mike Duggan, Mayor

FOR RELEASE:

August 27, 2014

MEDIA CONTACTS:

Gregory Eno (313) 573-0775

Curtrise Garner (313) 701-2147

Market Response to Detroit Water & Sewerage Department Bonds Exceeds Expectations

The market for Detroit Water & Sewerage Department (DWSD) bonds far exceeded expectations on Tuesday, August 26, 2014 in the sale of approximately \$1.79 billion of bonds. **The investor demand for DWSD bonds was over four times the supply** that was available.

Approximately \$7.6 billion in orders were received on \$1.64 billion of refinancing bonds in addition to approximately \$150 million of newly-issued bonds earmarked for sewerage system improvements. The success of this transaction results in a **net cash flow savings of nearly a quarter billion dollars** (\$248.9 million) over the remaining life of the bonds. The high level of investor orders lowered the interest rate when compared to expected savings presented by the City's Financial Advisor last week.

"Today's overwhelming response to our bond sale shows our customers that the market's interest in DWSD should result in greater reinvestment in the system with less reliance on future borrowing", DWSD Director Sue McCormick said.

There were three key factors that influenced the positive market response.

First, the approval by Judge Steven Rhodes on Monday, August 25, 2014 for this financing transaction to proceed. The collaborative efforts of the DWSD, the Emergency Manager Kevyn Orr, and prior objectors to the impairment of the DWSD bonds in the bankruptcy plan of adjustment signaled an expeditious and productive resolution of the matter.

How will the newly-issued sewerage system improvements bonds of \$150 million be used?

The sewerage system bonds will be used to fund the DWSD five year capital improvement program (CIP). The two largest projects, the bio-solids dryer facility and the incinerator air quality improvement program, are multiple year projects which began construction in 2013. The biosolids dryer facility, presently six months ahead of schedule, will generate land use fertilizer and energy sources as a by-product of the sewage treatment process. The incinerator air quality improvement program refurbishes DWSD's Complex II Incinerators to achieve compliance with new 2016 air quality regulations. As a result, Complex I incinerators which are at the end of their useful life (50-70 years old) and are non-compliant after 2016 may then be retired. Completion of these projects by March 2016 is critical for the DWSD to ensure regulatory compliance outlined in its National Pollutant Discharge Elimination System (NPDES) permit. The permit is administered by the Environmental Protection Agency (EPA) and Michigan Department of Environmental Quality (MDEQ).

There are additional projects in the current CIP that will be funded by the new bonds, including a sewer lining program to extend the life of those assets. The entire CIP document is available at www.dwsd.org.

What are DWSD's new bond ratings? What were the ratings when bonds were issued in 2012?

DWSD's current bond ratings, as of August 25, 2014, are shown in the table below. The uncertainty surrounding the City of Detroit's Chapter 9 bankruptcy resulted in rating downgrades since the last time that DWSD issued bonds in 2012. It was important to DWSD to realize improvements in the ratings despite the City's present Chapter 9 status. It is notable that all three agencies provided an upgrade, with Standards & Poor's granting a "ten notch" increase to investment grade status of BBB+.

Agenda for TEFRA Hearing on August 28, 2014 at 9:00 a.m.

1. Open Hearing: This public hearing is now open. The purpose of this public hearing is to take public comments on the proposed issuance by the City of Detroit, upon authorization from (i) the Board of Water Commissioners of the Detroit Water and Sewerage Department and (ii) Kevyn D. Orr, emergency manager of the City of Detroit, of its Sewage Disposal System Revenue Senior or Second Lien Bonds, Series 2014.
2. Notice of this hearing was published in the Detroit News and Detroit Free Press on August 13, 2014, and a copy of the notice is attached as Exhibit A.
3. The proceeds of the Bonds will be used to finance the costs of acquiring, constructing, equipping and installing a biosolids dryer facility and sewage sludge incinerator air quality control improvements including related engineering, legal and financing costs. The Project will be located at 9300 West Jefferson Avenue, Detroit, Michigan.
4. Ask for written comments, if any
5. Take public comment, if any
6. Close Hearing

OK'd yr,
when did EMA start
ability to submit - RP doc,
submit alternatives -
\$ doesn't matter - just coz of \$ all K are = important
can't tell U details.

Exhibit A

TEFRA Notice as Published

NOTICE OF PUBLIC HEARING BEFORE THE CITY OF DETROIT,
MICHIGAN ON THE ISSUANCE OF (i) SEWAGE DISPOSAL SYSTEM REVENUE SENIOR LIEN
BONDS OF THE CITY OF DETROIT, AND/OR (ii) SEWAGE DISPOSAL SYSTEM REVENUE SRF
JUNIOR LIEN BONDS OF THE CITY OF DETROIT (COLLECTIVELY, THE "BONDS")

The City of Detroit, Michigan and the Detroit Water and Sewerage Department (the "DWSD") will hold a public hearing at 9:00 a.m. on August 28, 2014 in the Board of Water Commissioners Board Room, on the Fifth floor of the offices of the Detroit Water and Sewerage Department, 735 Randolph, Detroit, Michigan 48226 regarding the issuance of one or more series of qualified private activity bonds. The Bonds will be issued by the City of Detroit (the "Issuer") and the proceeds of the Bonds will be used to finance the costs of acquiring, constructing, equipping and installing a biosolids dryer facility and sewage sludge incinerator air quality control improvements (collectively, the "Project"), including related engineering, legal and financing costs. The Project will be located at 9300 West Jefferson Avenue, Detroit, Michigan. The BOWC principal offices are located at 735 Randolph, Detroit, Michigan 48226.

The Project will be owned by the Issuer and will be subject to (i) a Design-Build-Operate-Maintain Contract with New England Fertilizer Company, and (ii) a Design-Build Contract with Walsh Construction Company. The Bonds are proposed to be issued in one or more series in an aggregate principal amount of not to exceed one hundred eighty one million dollars (\$181,000,000).

The Bonds will be revenue bonds issued under 1933 Michigan Public Act 94, payable solely from the specific revenues from the sewage disposal system pledged for the repayment of the Bonds. The Bonds will not constitute general obligations of the City of Detroit, the DWSD, the State of Michigan or any political subdivision of the State of Michigan within the meaning of any constitutional or statutory provision and will not constitute or give rise to a charge against the general credit of the City of Detroit, the DWSD, the State of Michigan or any political subdivision of the State of Michigan. The DWSD has no taxing power.

The hearing shall provide a reasonable opportunity for expression of opinion, for argument on the merits and for introduction of documentary evidence pertinent to the nature and location of the Project and the proposed issuance of the Bonds. Written comments will be accepted by the DWSD, but must be received on or before the time and date of the hearing.

Dated: August 13, 2014

Nicolette N. Bateson, CPA
Chief Financial Officer
Detroit Water and Sewerage Department
735 Randolph
Detroit, Michigan 48226

LAN01\360169.1

Al Daboe - Treasury Director

Fred Barnes - Commissioner

William Wilson - Corp Counsel

Tarolyn
Jerry Bushles - advisor to Al

Daryl Latimer

one citizen